

Industry Circular



Internal Revenue Service
Alcohol, Tobacco and Firearms Division
Washington, D.C. 20224

Industry Circular 71-15

July 16, 1971

MISCELLANEOUS AMENDMENTS UNDER TREASURY DECISION 71-30

Proprietors of distilled spirits plants
and others concerned:

Purpose. This circular is issued to inform you of several significant changes made in 26 CFR Part 197, Drawback on Distilled Spirits Used in Manufacturing Nonbeverage Products, and 26 CFR Part 201, Distilled Spirits Plants, by Treasury Decision 7130, which was published in the Federal Register for July 8, 1971, and which will become effective September 1, 1971.

Copies of Form 179 for manufacturers of nonbeverage products. In order to alleviate the problem of furnishing copies of Form 179 to manufacturers of nonbeverage products in those cases where distilled spirits are shipped from a taxpaid room operated in connection with a distilled spirits plant, the regulations in 26 CFR Part 197, Drawback on Distilled Spirits Used in Manufacturing Nonbeverage Products, have been amended to permit such manufacturers to use the vendor's commercial invoice as evidence of tax-payment. In such a case, the invoice must bear a certification as to tax-payment by the person who paid the tax, and should include the following information:

- (a) The name and address of the vendor;
- (b) The registry number of the distilled spirits plant from which the spirits were withdrawn on determination of tax;
- (c) The release number of the applicable Form 179;
- (d) The name of the producer, blender, or warehouseman of the spirits;
- (e) The serial number of the container;
- (f) The serial number and date of the distilled spirits stamp; and
- (g) The kind of spirits, proof, and proof gallons in the container.

Labeling of spirits and wines for shipment to Puerto Rico. Two new sections, §§ 201.331a and 201.467a, have been added to 26 CFR Part 201 to provide, respectively, that the provisions of 27 CFR Part 5 with respect to labeling and standards of fill apply to spirits removed without payment of tax for shipment to Puerto Rico and, that the provisions of 27 CFR Parts 4 and 5 with respect to labeling and standards of fill apply to taxpaid wines and spirits, respectively, removed for shipment to Puerto Rico with benefit of drawback.

Additional marks on portable containers. Section 201.524 has been amended by deleting the requirement that certain additional marks be placed on portable containers when withdrawn from bonded premises (1) on determination of tax (except that, for wooden packages, the required marks, "Rinsed" or "Not Rinsed" and, if rinsed, the temperature of the water used for rinsing are continued), (2) for use in wine production, and (3) for transfer in bond.

Marks on cases of bottled-in-bond spirits and cases of bottled alcohol. Section 201.527 has been amended to delete the requirement for placing on cases of bottled-in-bond spirits the words "Tax Determined" and the date of tax determination and, where transferred in bond, the purpose, date, and plant number of the consignee. Section 201.529 has been amended to delete the requirement for placing on cases of alcohol bottled under Subpart K of 26 CFR Part 201 the words "Tax Determined" and the date of tax determination, and where otherwise withdrawn or removed (except for export, transfer to customs manufacturing bonded warehouses, transfer to foreign-trade zones, use as supplies on certain vessels and aircraft, or tax-free), the date of withdrawal or removal.

Inquiries. Inquiries regarding this circular should refer to its number and be addressed to your Assistant Regional Commissioner, Alcohol, Tobacco and Firearms.

Rex D. Davis

Rex D. Davis, Director
Alcohol, Tobacco and Firearms Division